

*30 June 77*

MEMORANDUM FOR : Deputy Director of Central Intelligence  
Deputy Director for Administration  
Deputy Director for Operations  
Deputy Director for Science & Technology  
Deputy Director for Intelligence

FROM : Director of Central Intelligence

SUBJECT : Personnel Policy

1. A fair and workable career management system is one of the most important contributions to the health and morale of any organization. Beyond having an effective means for evaluating performance and recognizing superior performers, there must be room in the organization for capable individuals to rise to positions of greater responsibility. This implies an inherent personnel flow which can exist only if there is ample recruitment of new talent at the bottom, a vigorously enforced "up or out" policy at all levels, and the option for early retirement. Each of these areas is being carefully studied at this time.

2. However, it is expected OMB will impose personnel ceilings in the coming year which will require personnel reductions. The least equitable means of accomplishing these reduction, it seems to me, would be to impose across-the-board cuts in all directorates. A more equitable and less disruptive means would be to enforce extant policies in our career management system. Two policies in particular hold the potential for personnel reduction and at the same-time opportunity to enhance personnel quality: careful monitoring of the probationary period for new employees and separation of those who have demonstrated the least potential for advancement at any level.

3. The Deputy Director for Administration is directed:

- a. to ensure effective supervisory action is taken to carefully evaluate the present performance and potential for future advancement of all new employees during the three year probationary period. If at any time during that period it becomes apparent that the employee consistently, and despite reasonable counselling, fails to perform satisfactorily or lacks promise of future growth, employment will be terminated.
- b. to give 90 days notice of termination of employment to the 78 individuals who have ranked in the lowest 3% for the past 3 years.
- c. to notify formally the 91 individuals who have ranked in the lowest 3% for 2 years that should they be so ranked for a third year their employment will be terminated.
- d. to provide me with an assessment of the impact an immediate reactivation of the service retirement option would have on each directorate.

STANSFIELD TURNER  
Director